



**Breathitt County**  
**Water District**

*Making Breathitt County*

*A Better Place One Drop at a Time.*

May 16, 2008

Stephanie Stumbo  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, Ky. 40602

RECEIVED

MAY 19 2008

PUBLIC SERVICE  
COMMISSION

Re: Case No. 2008-0017

Dear Ms. Stumbo:

This letter is in regard to a case before the Commission at this time. After a conference call conducted on May 13, 2008 between the Commission staff and I, we addressed the issues in the PSC order and have answered the questions that were of concern to the Commission. By recommendation of the staff, I am submitting a *revised* version of the Water Purchase Contract between the Breathitt County Water District and the Kentucky Mountain Bible College which include the changes discussed. Also included are copies of BCWD board meeting minutes wherein this matter was discussed as well as correspondence between BCWD and KMBC.

Furthermore, it is of great urgency that we get approval for this Water Purchase Contract no later than June 1, 2008. The Division of Water regulations require KMBC to renew their operator licensure by June 30, 2008, if they continue to produce their own water. However, all necessary materials are installed at this time to convert KMBC from a private water source to BCWD water distribution system upon approval of this Water Purchase Contract.

Please give your immediate and undivided attention to this matter. Thank you for your promptness and cooperation.

Sincerely,

Paul Shannon Moore  
Superintendent, BCWD

## WATER PURCHASE CONTRACT REVISION

This contract for the sale and purchase of water is entered into as of the 15<sup>th</sup> day of MAY, 2008, between the BREATHITT COUNTY WATER DISTRICT, a Special District formed pursuant to KRS 74.101 et. seq., of 1137 Main Street, Jackson, Kentucky 41339, hereinafter referred to as the "SELLER" and KENTUCKY MOUNTAIN BIBLE COLLEGE, of P.O. Box 10, Vancleve, Kentucky 41385, hereinafter referred to as the "PURCHASER",

### WITNESSETH:

**WHEREAS**, the Purchaser is a private entity that and religious and educational institution in Breathitt County, Kentucky, and the Purchaser will require a supply of treated water, and

**WHEREAS**, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present needs of Purchaser, and

**WHEREAS**, by Resolution enacted on the 15 day of MAY, 2008, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Board Chairperson, and attested by the Secretary, was duly authorized, and

**WHEREAS**, by the Resolution of the Purchaser, enacted on the 15 day of MAY, 2008, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the President, and attested by the Secretary was duly authorized;

**NOW, THEREFORE**, in consideration of the foregoing and the mutual agreements hereinafter set forth;

#### **A. THE SELLER AGREES:**

1. To install at the Seller's cost and maintain:
  - a. one 6-inch x 1 1/2 -inch compound meter and vault
  - b. approximately 350 LF of 6-inch PVC waterline; and
  - c. one 6-inch fore hydrant assembly.
2. To furnish the Purchaser potable treated water meeting applicable quality standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water in such quantity as may be required by the Purchaser.
3. To bill the Purchaser at the above address not later than the 1<sup>st</sup> day of each month, for water usage during the preceding month. The due date shall be the 10<sup>th</sup> day of each month, in which the bill is sent. Payments made more than ten (10) days after the due date shall be considered "late" payment(s).

**B. THE PURCHASER AGREES:**

1. To connect their entire campus (all buildings and dwellings) to the BCWD distribution system
2. To pay the Seller, not later than the 10<sup>th</sup> day of each month, for water delivered the preceding month in accordance with the following schedule of rates:
  - a. A minimal bill of \$99.50 for the first 10,000 gallons. Purchaser understands that this will be the minimum payment due each month no matter the number of gallons used up to 10,000.
  - b. A Rate of \$4.98 for per 1,000 gallons used from 11,000 to 199,000 gallons.
  - c. All over 200,000 gallons a rate of \$3.80 per 1,000 gallons used.
  - d. There will be a 10 % penalty for payments made past the due date.

**IT IS FURTHER MUTUALLY AGREED** between the Seller and the Purchaser as follows:

1. That this contract shall extend for a term of two (2) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial acceptance of water.
3. That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchase not to exceed amounts listed herein. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to seller's consumers is reduced or diminished.
4. That the Purchaser will at all times operate and maintain its system in an efficient manner and will take such action as may be necessary to limit outage and shortages to the maximum extent possible. This contract shall be null and void if all payments for invoices for purchased water are not received within ninety (90) days of the due date. In the event a payment is thirty or more days late, Purchaser may apply the security deposit to the debt owed and pursue all available legal remedies to collect any deficiency due.
5. The Purchaser may cure a default, prior to the contract becoming null and void, by full payment of the outstanding balance due. If the payment to cure a default is made after the security deposit is drawn down by Seller, then the amount necessary to cure the default shall be all outstanding bills due and replenishment of the security deposit.

6. That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder of the Seller's system necessary to meet future, and increase in the cost of water purchased from the City of Jackson, more stringent regulations promulgated by EPA or DOW or increased volumes of water needed by the Purchaser. Other provisions of this contract may be modified or altered by mutual agreement.

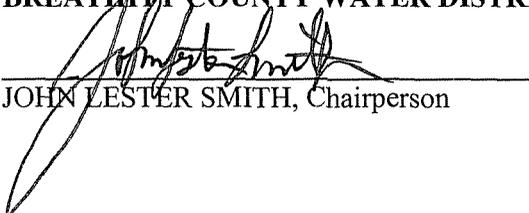
7. That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

8. That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

**IN WITNESS WHEREOF:** the parties hereto, have duly executed this agreement this the 15 day MAY, 2008.

**Seller:**

**BREATHITT COUNTY WATER DISTRICT**

  
\_\_\_\_\_  
JOHN LESTER SMITH, Chairperson

ATTEST:

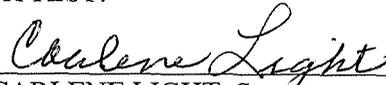
  
\_\_\_\_\_  
KAY BARNETT, Secretary

**Purchaser:**

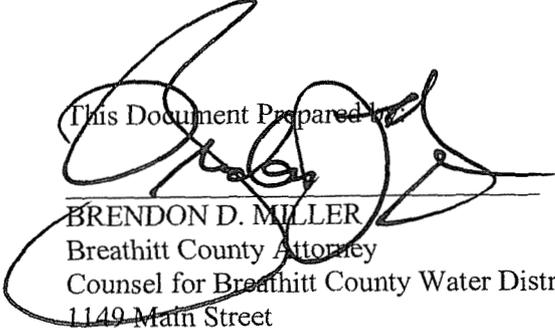
**KENTUCKY MOUNTAIN BIBLE COLLEGE**

  
\_\_\_\_\_  
PHILLIP SPEAS, President

ATTEST:

  
\_\_\_\_\_  
CARLENE LIGHT, Secretary

This Document Prepared by



BRENDON D. MILLER  
Breathitt County Attorney  
Counsel for Breathitt County Water District  
1149 Main Street  
Jackson, Kentucky 41339  
(606) 666-4400



# Breathitt County

## Water District

Making Breathitt County

A Better Place One Drop at a Time.

Proposal Options To connect the Kentucky Mountain Bible Collage (KMBC) to the Breathitt County Water District (BCWD)  
KY 52/541 Water Distribution System

This proposal should not be interpreted as a Water Purchase Agreement, but only as an **Opinion of Probable Cost** for KMBC to use in determining their future potable water and fire suppression requirements. If KMBC accepts one of these proposals, the specifics of the agreement will be described in a special contract between BCWD and KMBC.

This proposal consists of three options for KMBC to connect to BCWD's KY52/KY541 water distribution system:

1. BCWD installs (at our cost) and maintains one 6-inch Fire service meter and vault; approximately 350 LF of 6-inch PVC waterline; and one 6-inch fire hydrant assembly. In return KMBC connects their entire campus (all buildings and dwellings) to the BCWD water distribution system. KMBC rate of water sales will be a minimal bill of \$99.50 for the first 10,000 gallons. After the first 10,000 gallons, the rate would be \$4.98 per 1000 gallon of water used up to 200,000 gallons, and any usage over 200,000 would be at the rate of \$3.80 per 1000. This will be a cost to KMBC \$12,548.40 annually (\$1,045.70/month) for this service. This rate is based on an average usage of 200,000 gallons per month.
2. BCWD installs (at our cost) and maintains one 6-inch Fire service meter and vault; approximately 350 LF of 6-inch PVC waterline; and one 6-inch fire hydrant assembly. In return KMBC connects their five (5) campus buildings (dormitories, chapel, administrative) to the BCWD water distribution system. KMBC rate of water sales will be a minimal bill of \$199.00 for the first 20,000 gallons. Usage over 20,000 gallons would be at the rate of \$4.98 per 1000. This will be a cost to KMBC of \$ 7,168.80 annually (\$597.40/month) for this service. This rate is based on an average usage of 100,000 gallons per month.
3. BCWD installs (at our cost) and maintains one 6-inch Fire service meter and vault for the sole purpose of fire suppression. In return, KMBC **installs and maintains all** lines and hydrants needed to meet their fire service needs. KMBC pays BCWD \$900.00 per year (\$75.00/month) for this service. In the event that water is used for **any reason** other than the proposed the normal rate of the BCWD of \$9.95 per 1000 gallons applies.

KMBC will be required to make connections of their distribution system to the water line made available and adhere to all regulations of the Kentucky state plumbing code.

If you have any questions or comments, please contact me at your convenience.

Thank you,

Shannon Moore  
Superintendent, BCWD

## MINUTES

DATE: March 21, 2007

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Breathitt County Water District  
6:00 p.m.

The Breathitt County Water District met in Regular Session on the 21<sup>st</sup> day of March, 2007 at 6:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were John L. Smith, Co-Chairman-Jay Watts, Homer Johnson, Alma Noble and Vurl Fugate. Others present were Commissioner Tim Spencer, Ida Mae Campbell, Shannon Moore, Ora Main, and Bryan Kirby. Kay Barnett was absent.

The meeting was called to order by Chairman John L. Smith.

Motion by Vurl Fugate, seconded by Homer Johnson to approve the minutes of the February 21, 2007 meeting with the exception of two changes; the third motion listed Jay Watts as an "aye" vote, he was absent and the eighth motion should have said to approve Ricky Barnett as "a" Plumbing Contractor. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Mr. Bob Scott, Abandoned Mine Lands addressed the Board. He gave a summary on a study conducted on contamination of ground well water on Hwy. 1110.

Chairman Smith opened the floor for the audience. Several people were in attendance concerned about whether water would be ran to their homes. Chairman Smith asked that a representative from each area speak. Discussion was held on various areas of the county.

Ora Main discussed Items Accomplished since last meeting and the status on all projects. Discussion was held on the final payment of Clay Pipeline being made after the approval of Shannon Moore.

Bryan Kirby gave an update on financing of the 205 Project. He informed the Board that a Public Hearing needed to be done at the closing of the 52/541 Project and the opening of the Project for Watts area within the next 3 weeks.

\* Shannon Moore gave an update on projects and discussion was held on Ky. Mountain. Bible College wanting a reduced rate. After discussion it was decided to be left at the proposed rate.

Motion by Jay Watts, seconded by Homer Johnson to approve D & D Construction to set meters at the contract price. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Homer Johnson to install a flush hydrant on Hwy. 541. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Homer Johnson to approve payment of following invoices:

Requisition # 3	\$380,530.28
Requisition Certificate #12	\$8,294.73
Requisition # 03-07	\$12,173.66
Invoice #17042 (Nesbitt Engineering)	\$5,250.00
Invoice #17071 (Nesbitt Engineering)	\$17,075.65
Invoice #17084 (Nesbitt Engineering)	\$6,000.00

Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts seconded by Homer Johnson to adjourn. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Meeting adjourned at 8:50 p.m.

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John L. Smith, Chairman

## MINUTES

**DATE: March 29, 2007**

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Breathitt County Water District  
6:00 p.m.

The Breathitt County Water District met in Special Session on the 29<sup>th</sup> day of March, 2007 at 6:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were John L. Smith, Homer Johnson, Alma Noble and Vurl Fugate. Jay Watts was absent. Others present were Kay Barnett-Recording Officer, Shannon Moore and Carlos Maggard.

The meeting was called to order by Chairman John L. Smith.

Discussion was held on the final payment to Clay Pipeline.

Motion by Homer Johnson, seconded by Vurl Fugate to pay Clay Pipeline \$100,000.00 and hold the remainder of \$2,077.00 until the Board is satisfied. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Discussion was held on adding lines to roads on current contracts.

Motion by Vurl Fugate, seconded by Homer Johnson to authorize Chairman Smith to sign commitment letter on the five roads listed—Chenowee Branch, Lockard Hollow Rd., T,K, Crawford Lane, Turner Lane and Mt. Carmel Road when Bryan Kirby gets the letter ready. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson. Motion carried.

Motion by Vurl Fugate, seconded by Homer Johnson to amend and add New Branch Rd. into the previous motion. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Homer Johnson, seconded by Alma Noble to request a Change Order Price per road on the following roads—Chenowee Branch, Lockard Hollow Rd. T.K. Crawford Lane, Hounshell Rd., Peggs Fork Extended, Hoover Bridge, New Branch Rd., Shoal Branch, Ky. 15 to War Shoal including Courtney Lane and all in between, Turner Lane, Mt. Carmel Road, Johnson Fork, Ky. 15 to Phil Fugate's, Ky. 205 Extended and Johnson Fork Extended. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Homer Johnson seconded by Alma Noble to classify all hydrants (current or future) as flush hydrants. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Homer Johnson seconded by Alma Noble to adjourn. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Meeting adjourned at 6:55 p.m.

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John L. Smith, Chairman

## MINUTES

**DATE: April 5, 2007**

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Breathitt County Water District  
6:00 p.m.

The Breathitt County Water District met in Special Session on the 5<sup>th</sup> day of April, 2007 at 6:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were John L. Smith, Homer Johnson, Alma Noble and Vurl Fugate. Jay Watts was absent. Others present were Kay Barnett-Recording Officer, County Attorney Brendon Miller, Shannon Moore, Commissioner Tim Spencer, Treasurer Ken Back and Ora Main

The meeting was called to order by Chairman John L. Smith.

Discussion was held on change Orders for adding lines to roads on current contracts. Communication has been going on between the contractors and Nesbitt Engineering.

Ken Back, Breathitt County Treasurer discussed the Water District's need of \$858,796.00 to complete the 6 projects on Hwy. 52/541 and the additional lines on Hwy. 205. His proposal was to use the \$250,000.00 that is projected to be given quarterly and deposited into the Local Economic development Fund, available for use as line item projects and the Court will look at borrowing \$300,000.00 from KACo to fund the shortfall through the end of the 3<sup>rd</sup> quarter. He advised the Board to group the projects and submit applications.

Ora Main discussed a Branch Line or Waterline Extensions Feasibility Spreadsheet prepared by Nesbitt Engineering.

Motion by Homer Johnson, seconded by Vurl Fugate to accept the 12 Projects listed on the provided spreadsheet and to authorize Chairman Smith to sign the change order after the Fiscal Court approves it. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble and Homer Johnson-aye. Motion carried.

Motion by Vurl Fugate, seconded by Homer Johnson to adjourn. Vote is as follows: John L. Smith-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

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John L. Smith, Chairman

**RESOLUTION**

**BREATHITT COUNTY WATER DISTRICT**

A RESOLUTION OF THE BREATHITT COUNTY WATER DISTRICT, BREATHITT COUNTY, KENTUCKY, AUTHORIZING THE CHAIRMAN TO ENTER INTO AN AGREEMENT WITH THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT (GOLD) FOR THE PROJECTS LISTED BELOW, TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD, TO FACILITATE THESE PROJECTS, AND TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THESE PROJECTS.

**WHEREAS**, The Breathitt County Fiscal Court has received the following 2006 LGEDF Grant projects to be administered by the Kentucky Governor's Office for Local Development:

- \$192,000.00 – Breathitt County Water District – Waterline Extension Project #1
- \$170,000.00 – Breathitt County Water District – Waterline Extension Project #2
- \$195,000.00 – Breathitt County Water District – Waterline Extension Project #3

**WHEREAS**, it is recognized that the projects listed above upon its transfer to Breathitt County Water District impose certain obligations and responsibilities upon the Breathitt County Water District.

**NOW, THEREFORE**, be it resolved this 18th day of April 2007, by the Breathitt Water District.

The Chairman is hereby authorized to execute this resolution and furnish all required documentation, including a memorandum of agreement, as may be required by GOLD for the furtherance of the above-referenced projects and to act as the authorized correspondent for said projects.

Done this 18<sup>th</sup> day of April 2007. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_, members present voting ( vote count ) in favor.

	AYE	NAY
Jay Watts	_____	_____
Homer Johnson	_____	_____
Vurl Fugate	_____	_____
Alma Noble	_____	_____

By: \_\_\_\_\_  
John Lester Smith  
Chairman, Breathitt County Water Board

ATTEST: \_\_\_\_\_  
Its: \_\_\_\_\_

## MINUTES

DATE: May 16, 2007

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Breathitt County Water District  
7:00 p.m.

The Breathitt County Water District met in Regular Session on the 16<sup>th</sup> day of May, 2007 at 7:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were Co-Chairman-Jay Watts, Homer Johnson, and Vurl Fugate. Alma Noble was absent. Others present were Shannon Moore, Ora Main, Kay Barnett and Brendon Miller.

The meeting was called to order by Chairman Smith.

Motion by Jay Watts, seconded by Homer Johnson to approve the minutes of the April 18, 2007 Regular Meeting. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

James Driver, Division of Local Government Services, Social Security Coverage and Reporting Branch presented a Resolution to the Board regarding Social Security Benefits for their employees.

Motion by Jay Watts, seconded by Vurl Fugate to approve the Resolution regarding Social Security and to authorize Chairman Smith to sign the Resolution. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Ora Main discussed Items Accomplished since last meeting and the status on all projects.

O.V. Watts, Sr. & Janet Hounshell asked when water would be ran on Hwy. 30 East. Discussion was held. They were advised to contact the Fiscal Court & their Representative to rush the process up.

\* Shannon Moore gave an update on his department. He informed the Board that the airport and the weather station wanted water as soon as possible. He informed the Board that Kentucky Mountain Bible College had decided to hook up on the water service. The Board informed Shannon to get with Brendon and draw up a contract to present to the college. Shannon informed the Board that Clay Pipeline has all the leaks repaired on the Hwy. 52/541 Project except one. Discussion was held and it was decided that Shannon would contact Clay Pipeline and have them bring the check they owe the water district for \_\_\_\_\_ on the day they come to repair the leak and Shannon would have the check for the Water District to exchange with Clay Pipeline. Shannon also informed the Board that the residents of Gabbard Hill were upset due to the black top being damaged by the equipment. Discussion was held, no action was taken.

Discussion was held on customers requesting their deposits back since they weren't going to be offered water in their area at this time.

Motion by Vurl Fugate, seconded by Homer Johnson to refund any requested deposits back to the customers in the areas not being served. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Homer Johnson, seconded by Jay Watts to refund the deposits of \$325.00 back to Delmar Thomas & Robert Stewart for providing a tank site on their property and to give one free hookup. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Vurl Fugate to approve payment of following invoices when the money becomes available:

Requisition Certificate # 5	\$379,110.13
Requisition Certificate # 2	\$19,563.04
Requisition #05-07	\$12,378.50

and to hold Requisition Certificate #1 in the amount of \$19,461.05 for the Canoe Waterline Project until a later date. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

\* Motion by Homer Johnson, seconded by Vurl Fugate to authorize Chairman J.L. Smith, Shannon Moore and Nesbitt Engineering, Inc. to design and execute a Change Order for a Water User Agreement for the Kentucky Mountain Bible College and to authorize Chairman Smith to sign the agreement. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

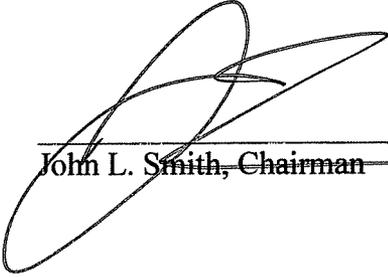
Motion by Jay Watts, seconded by Homer Johnson to close the Regular Meeting and go into Executive Session to discuss personnel issues. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Homer Johnson to close the Executive Session and reopen the Regular Meeting. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Vurl Fugate to remove Ida Mae Campbell off probation and hire her as a Full Time Employee to receive all benefits offered and to change Shannon Moore's status from hourly to salary and pay him \$36,000.00 yearly effective June 1, 2007. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Homer Johnson to allow Ida Mae Campbell to waive her health insurance and participate in FEBCO. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts seconded by Homer Johnson to adjourn. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye and Homer Johnson-aye. Motion carried.



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John L. Smith, Chairman

# MINUTES

**DATE: July 18, 2007**

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Breathitt County Water District  
7:00 p.m.

The Breathitt County Water District met in Regular Session on the 18<sup>th</sup> day of July, 2007 at 7:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were Co-Chairman-Jay Watts, Homer Johnson, Alma Noble and Vurl Fugate. Others present were Shannon Moore, Paul Nesbitt, Bryan Kirby, County Attorney Brendon Miller, Kay Barnett, Volunteer Fire Dept. Chiefs, Roger Friley and residents from Hwy. 30 East.

The meeting was called to order by Chairman Smith.

Motion by Jay Watts, seconded by Homer Johnson to approve the minutes of the June 20, 2007 Regular Meeting. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Paul Nesbitt discussed Items Accomplished since last meeting and the status on all projects.

Bryan Kirby gave an update on fundings and discussed several different finance options for the Watts Water Project. Discussion was held. (See attachments)

Motion by Vurl Fugate, seconded by Homer Johnson to accept the funding source of KADD Leasing Trust (Bond) at a rate of 4.3% Annually and an Annual Payment of \$55,900.00 for the Watts Water Project. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

\* Motion by Vurl Fugate, seconded by Homer Johnson to authorize Chairman Smith to sign the purchase agreement between the Kentucky Mountain Bible College and the Water District. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Vurl Fugate, seconded by Jay Watts to authorize Nesbitt to advertise for construction bids for the Watts Project with a bid hold period of 120 days. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Vurl Fugate, seconded by Homer Johnson to survey the tank sites on the Watts Project. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Vurl Fugate to authorize Chairman Smith to sign the Memorandum of Agreement and authorize Nesbitt Engineering to proceed with the plans for the Abandoned Mines & Land for the Hwy. 1110 Project. Vote is as

follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Chairman Smith informed the audience from Hwy. 30 East that a meeting had been held on July 10<sup>th</sup> to discuss funding for the Hwy. 30 East Project with Congressman Hal Rogers's Representatives Bob Mitchell & Pat Wooten, Judge Richardson, Mayor Miller and Shannon Moore. He informed the audience that Bob Mitchell offered a pledge of support for the project.

Roger Friley informed the audience that a study was being conducted on forming a Volunteer Fire Dept. at the Rousseau Community.

Shannon gave a presentation on water usage by the Volunteer Fire Depts. Shannon informed the Chiefs that they must report all water used by their departments. He told them that when they responded to a house fire, that they must document the water used, the location and the name of the person that had the loss.

The Canoe Fire Chief informed the Board that he had a firefighter who unfortunately used water for other reasons and didn't report the usage, but assured the Board it would not happen again.

Motion by Jay Watts, seconded by Homer Johnson to authorize Nesbitt Engineering to proceed with the Preliminary Design Work and prepare various applications for funding of the Hwy. 30 East Project. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Paul Nesbitt assured the Board that his office would help in anyway and would hold the invoices until money became available for the Hwy. 30 East Project.

Motion by Jay Watts, seconded by Vurl Fugate to approve payment of following invoices when the money becomes available:

Requisition Certificate # 12 (Final 3-21-07) Amended 07-18-07	\$11,294.73
Requisition Certificate # 7	\$204,597.39
Requisition Certificate # 4	\$30,716.08
Requisition #07-07	\$18,334.18

Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts, seconded by Homer Johnson to authorize Chairman Smith to sign the Memorandum of Agreement with GOLD for the Hwy. 205 Project Change

Orders . Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Vurl Fugate, seconded by Homer Johnson to authorize Shannon to negotiate with the land owners at Watts to secure the tank sites. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts seconded by Homer Johnson to adjourn. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.



John L. Smith, Chairman

# MINUTES

DATE: September 19, 2007

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Breathitt County Water District  
7:00 p.m.

The Breathitt County Water District met in Regular Session on the 19<sup>th</sup> day of September, 2007 at 7:00 p.m. in the Fiscal Court Room. The meeting was called to order by Chairman John L. Smith. Members present and presiding were Co-Chairman-Jay Watts, Homer Johnson, Alma Noble and Vurl Fugate. Others present were Shannon Moore, Ora Main, County Attorney Brendon Miller, Kay Barnett, Commissioner Tim Spencer and Jeff Noble and residents from Hwy. 30 East.

The meeting was called to order by Chairman Smith.

Motion by Homer Johnson, seconded by Alma Noble to approve the minutes of the August 15, 2007 Regular Meeting. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Ora Main gave an update on all projects.

Discussion was held on the Hwy. 30 East Project. Larry Hensley asked why Hwy. 30 East was not chosen for the Abandoned Mines & Land Project. Further discussion was held.

Ora Main informed the Board that Bryan Kirby had submitted the CDBG Application to GOLD.

\* Shannon Moore gave an update on the Hwy. 205 Project. He informed the Board that the Bible College has signed their Water Purchase Contract, however, they have not begun to use water at this time. He presented a job description for a maintenance worker. Discussion was held.

Motion by Jay Watts, seconded by Vurl Fugate to approve payment of following invoices when the money becomes available:

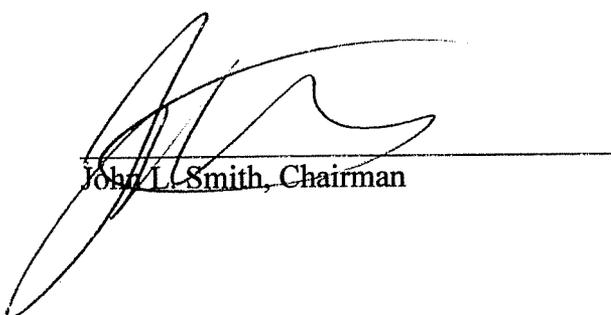
Requisition Certificate # 9	\$236,313.55
Requisition Certificate # 6	\$2,845.25
Inv. # 17452	\$ 3,750.00
Requisition #09-07	\$23,481.92

Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Alma Noble, seconded by Homer Johnson to advertise for a full time position as maintenance worker with benefits after the 6 month probation period. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts seconded by Vurl Fugate to authorize Chairman Smith, Shannon and Brendon Miller to acquire information regarding the Hwy. 30 East Project and present at the next meeting. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.

Motion by Jay Watts seconded by Homer Johnson to adjourn. Vote is as follows: John L. Smith-aye, Jay Watts-aye, Vurl Fugate-aye, Alma Noble-aye and Homer Johnson-aye. Motion carried.



John L. Smith, Chairman